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COLUMBIA | GREENVILLE

February 15, 2007

**VIA ELECTRONIC FILING  
HAND DELIVERED ORIGINAL**

Mr. Charles L. A. Terreni  
Public Service Commission of South Carolina  
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**Re: DOCKET NO. 1997-239-C Proceeding to Establish Guidelines for an  
Intrastate Universal Service Fund**

Dear Mr. Terrini:

This firm is representing several parties in the referenced docket, including the South Carolina Cable Television Association, CompSouth and Time Warner Telecom. I am writing on behalf of those parties to respond to the February 7 letter of John Bowen for the South Carolina Telephone Coalition.

We disagree with the SCTC request to cancel the Universal Service Fund hearing the Commission has scheduled for April 19, 2007. Through the operation of the USF, the Commission oversees the collection and disbursement of over \$53 million annually. That is an enormous amount of money which is being collected from all South Carolina ratepayers and given to a select group of telephone companies which are operating in an increasingly competitive market in this state. As noted by the Legislative Audit Council in its audit of the USF in 2005, there have been significant changes in the telecommunications industry since the USF was established which call into question various aspects of the operation of the fund.

We are aware that the Supreme Court has yet to rule on the appeal of the original orders establishing the USF and that the Circuit Court appeals of subsequent orders have been stayed pending the Supreme Court decision. While the appeal pending at the Supreme Court may in some respects limit the issues which the Commission can decide, there are many issues concerning the operation of the USF which can and should be addressed now.

Surely it is appropriate for the Commission to hear from interested parties on how the USF is operating and how it should be reformed. The USF is a massive transfer of state subsidy funds to a relatively small group of private companies. Its operations should be transparent and subject to rigorous scrutiny by the Commission and the

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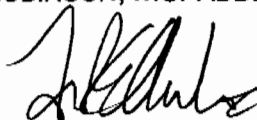
Mr. Charles L. A. Terreni  
Chief Clerk of the Commission  
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Office of Regulatory Staff which are the agencies designated by the General Assembly to oversee the USF.

We applaud the Commission's decision to schedule a hearing in the USF docket and look forward to participating in that hearing.

Yours truly,

ROBINSON, MCFADDEN & MOORE, P.C.

A handwritten signature in black ink, appearing to read 'F. Ellerbe, III', written in a cursive style.

Frank R. Ellerbe, III

FRE/vvp

cc: Parties of record

IN RE: )  
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**Intrastate Universal Service Fund** )  
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This is to certify that I, Vickie V. Pietschker, a Legal Assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **LETTER RESPONDING TO THE FEBRUARY 7 LETTER OF JOHN BOWEN FOR THE SOUTH CAROLINA COALITION** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

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Dated at Columbia, South Carolina this 15<sup>th</sup> day of February, 2007.

  
Vickie V. Pietschker